



# DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

## FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

### TECHNICAL

There were three electronic announcements published by the USDE in Feb. 2020 related to website updates. The announcements are listed below with the date of publication.

- [IFAP Update – Upcoming Transition of FSA download Content and Financial Partners Portal to IFAP Website on Feb. 9, 2020 – Feb. 4, 2020](#)
- [IFAP Update – Transition of FSA download Content and Financial Partners Portal to IFAP Website Implemented \(Updated Feb. 12, 2020\) – Feb. 10, 2020](#)
- [Next Gen FSA – Additional StudentAid.gov Website Features Starting Feb. 2020 – Feb. 21, 2020](#)

### TRAINING

Dear Colleague Letter [ANN-20-03](#) was published by the USDE Feb. 11, 2020: Webinar Recordings – New Accreditation Regulations. Webinars on accreditation took place on Jan. 22<sup>nd</sup>, 23<sup>rd</sup>, and 30<sup>th</sup> of 2020. Recordings of those webinars with close captioning are now available. Links to the webinars and PowerPoint presentations are provided in the DCL.

### FORMS

An [Electronic Announcement](#) was published by the USDE Feb. 12, 2020: New Form for Forgery Loan Discharge Process for ED-held Loans. The USDE has created an administrative discharge process for forgery claims that will provide applicants the same consideration as a court of law, but will cost much less for taxpayers and the applicant. The new forgery discharge process will be limited to loans held by the USDE and will not involve additional payments to the guarantors and lenders. However, FFEL guarantors and lenders and schools participating in the Perkins Loan Program are encouraged to create a similar discharge process for forgery circumstances as a good business practice.

### FSA DATA CENTER

On Feb. 19, 2020, the USDE published an [Electronic Announcement](#): Federal Student Aid Posts New Reports to FSA Data Center. The [FSA Data Center](#) is a centralized online source for Federal Student Aid data. The application, loan, grant and portfolio reports are updated by Federal Student Aid quarterly. The reports recently posted reflect activity as of Dec. 31, 2019. The announcement outlines the reports available, along with several key findings based on those reports.



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### CAMPUS-BASED PROGRAMS

The USDE published an [Electronic Announcement](#) Feb. 21, 2020: 2018-2019 Campus-Based Awards Closeout. The 2018-2019 awards closeout process for the Campus-Based programs is provided, along with information regarding the notification process. Topics discussed in the electronic announcement cover the following:

- 2018-2019 Awards Closeout for the Campus-Based Programs
- Closeout Amount in G5 and on G5 Reports
- Closeout Amounts Determination Process
- Notification of Award Decrease

### COHORT DEFAULT RATES

An [Electronic Announcement](#) was published by the USDE Feb. 24, 2020: FY 2017 Draft Cohort Default Rates Distributed Feb. 24, 2020. FY 2017 Draft Cohort Default Rate notification packages were distributed to all eligible domestic and foreign schools, guaranty agencies and lenders. Instructions are provided in the announcement for making Incorrect Data Challenges and Participation Rate Index Challenges. Additional information regarding the school cohort default rate calculation or challenge processes can be found in the [Cohort](#)

[Default Rate Guide](#). The time period for challenging a school's FY 2017 Draft Cohort Default Rate began March 3, 2020.

### CYBERSECURITY REQUIREMENTS

On Feb. 28, 2020, the USDE published an [Electronic Announcement](#): Enforcement of Cybersecurity Requirements under the Gramm-Leach-Bliley Act. This announcement provides some history regarding the Gramm-Leach-Bliley Act and the requirements created for institutions in protecting the confidentiality, security and integrity of student and parent information. Auditors are evaluating three information safeguard requirements of GLBA as follows:

- The institution must designate an individual to coordinate its information security program
- The institution must perform a risk assessment that addresses three required areas described in 16 CFR 314.4(b):
  - Employee training and management
  - Information systems, including network and software design, as well as information processing, storage, transmission and disposal



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- Detecting, preventing and responding to attacks, intrusions or other systems failures
- The institution must document a safeguard for each risk identified in Step 2 above

Information on enforcement steps for audit findings are outlined in the announcement. If the Cybersecurity Team determines an institution or servicer poses a substantial risk to information security, access to the USDE's information may be temporarily or permanently disabled.